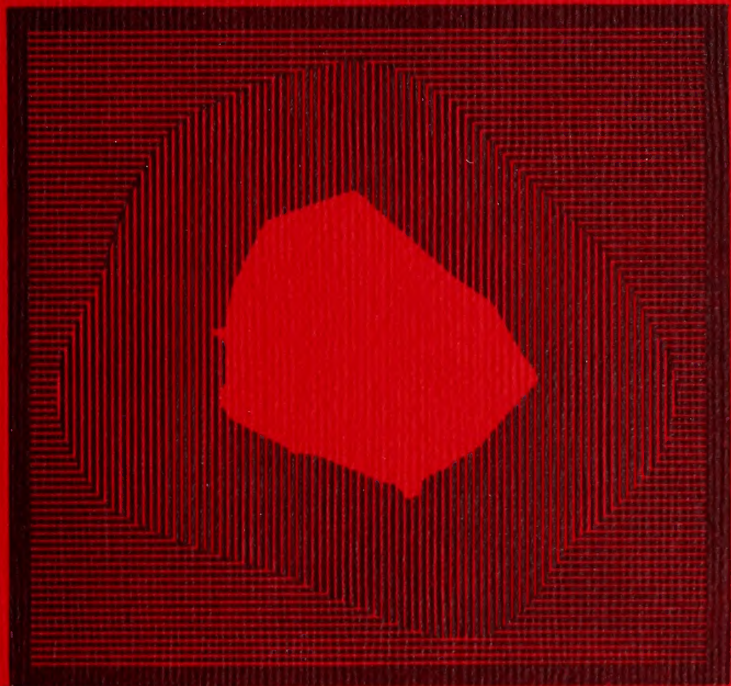


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CAPITAL IMPROVEMENTS BUDGET



ALBEMARLE, NORTH CAROLINA

PREPARED FOR:

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INTRODUCTION

Today's elected officials in local government are faced with strong competition for the tax dollar. On one side is the taxpayer insisting that more should be accomplished with present funds available. On the other side is the spending agency saying that the tax yield is inadequate to provide adequate services.

The capital improvement budget is one tool Albemarle officials and administration have at their disposal to assist them in meeting these requests in accordance with the city's ability to pay. In addition, the capital budget is a tool used to translate the Land Development Plan and Community Facilities Plan into reality.

While the public improvements which are programmed into the capital improvements budget are expenditures that help overcome past deficiencies, replace present facilities, and expand the public's community facility base to more efficiently handle future growth, the capital improvements budget is more than just a list of proposals from the different city departments. This program provides a means for scheduling work more efficiently and in logical steps. For example, a longer period of time is available to review the problems of technical design or land purchase ahead of actual need. When this programming is done, plans for construction of a project can be completed in an orderly manner. The scheduling of land purchase, construction and purchase of equipment can be objectively made to avoid as much as possible, the peaks and valleys in large capital outlays for the city.

Scheduling permits another advantage in that a balance of pay-as-you-go and bond financing for certain capital improvements can be worked out with the local government commission. By scheduling and maintaining the capital improvements budget, the best selection of project alternatives can insure the public support for using the available but limited funds. In so doing, public improvements on the basis of personal whims, political strategy, promotion by an employee personality or organized pressure groups is vastly reduced. The citizens of the city are thereby protecting themselves while promoting long-range thinking and the achievement of the community's total development goals.

The objective of the Capital Improvements Budget is to maintain a proper balance between operation and capital expenditures in relation to revenues. In so doing, this capital budget

should not be confused with the annual operating budget. The annual budget is a program of financial obligations for a one-year period. Yearly salaries, operation and maintenance costs of city services and facilities and capital expenditures are all a part of the annual budget. The annual budget includes all items that are both re-occurring and non-re-occurring needs regardless of the size of the expenditure. The capital improvements budget itemizes only those items anticipated as capital outlays during the next five fiscal years.

The annual budget should reflect items of the capital budget for each particular year, the appropriate section of the capital improvements budget should be reviewed annually and extended by another year. The annual extension of projects should be based on the recommendations of the public improvements program. Using this methodology, a framework for a continuing comprehensive financial program can be maintained, and city officials will be able to provide adequate municipal services on a sound fiscal basis.

FINANCING PUBLIC IMPROVEMENTS

To obtain public improvements, ingenuity coupled with sound financial policies should be exercised. While there is no ideal way to finance all capital improvements, certain methods are best suited to particular needs. Listed below are some suggested sources and methods for acquiring capital improvements.

Bonding

Albemarle's city officials, as a means of financing needed public improvements, have, on several occasions, issued general obligation bonds to help meet these needs. The oldest bonds yet to be retired are Water and Electric Light Bonds issued in 1948. At the current rate, the issue will be retired in 1988. Table A lists those general obligation bonds outstanding as of July 1, 1972. (It also includes the Water and Sewer bonds authorized by voter referendum in August, 1971.)

As of June 30, 1972, there was a total outstanding debt of \$6,360,000. These improvements will be paid off in 1994. The various bonds have been issued in different amounts and also with different rates of interest. Percent interest on outstanding debt ranges from 1/4% to a high of 5%.

Table A Outstanding General Obligation Bonds on
July 1, 1972, Albemarle, North Carolina

Year Issued	Type of Bond	Amount of Issue
1948	Water and Electric Light	375,000
1949	Water	750,000
1952	Sanitary Sewer	75,000
1960	Water	425,000
1961	Sanitary Sewer	1,105,000
1962	Electric	10,000
1966	Sanitary Sewer	80,000
1969	Fire Station	70,000
1969	Electric	245,000
1970	Electric	200,000
1972	Water	1,700,000
1972	Sewer	1,325,000
		<u>6,360,000</u>

Source: City Treasurer

General Obligation Bonds

General obligation bonds are financed from property taxes, through benefit assessment, or by utility revenues. The assessed valuation of property in the municipality is pledged as security toward payment of general obligation bonds. These bonds are, therefore, tax liens on all assessable property in the city.

State laws regulate general obligation bond sales by a municipality. For example, the legal general obligation bond debt limits for North Carolina municipalities is eight per cent of said assessed valuation (appraised value after July 1, 1973).¹ Some general obligation bonds, however, are exempt from the debt limit. Those issued for improvements to the municipal water system and, in some cases, those redeemed by benefit assessment (for street and other improvements)² are not affected by the legal debt limit. By law, bonds must be issued within five years after a bond ordinance is passed, and payments must start within three years after the bond is issued.³ Time limits are imposed on the various bonds.⁴ In general, bonds cannot run for longer

1. North Carolina General Statutes (G.S.) 160-383 (After July 1, 1973: G.S. 159-55)

2. G. S. 160-383 (After July 1, 1973: G. S. 159-55)

3. G. S. 160-391 (After July 1, 1973: G. S. 159-64, 65)

4. G. S. 160-382 (After July 1, 1973: G. S. 159-122 will set a maximum of 40 years and allow local government commission to set useful life of capital improvements.)

than the useful life of the improvement for which the bonds are issued. State law specifies maximum length of terms for the following improvements: public sewer system or public water supply, 40 years; parks, 50 years; building of fireproof construction, 40 years; and fire trucks, 10 years.

As a practical financial rule, a municipality should keep its debt retirement scheduled within an amount that requires at least 25% of the principal always to be due for amortization within a five year period.¹

Revenue Bonds

Certificates called revenue bonds produce income through both principal and interest. Expenses can often be met exclusively from the earnings of a new facility (e.g., water plant). Interest rates on this type of bond depend on the type of facility financed and its economic feasibility.

State law regulates municipal revenue bond sales. The maximum length that bonds can run is 40 years, and the maximum rate of interest is not set.² Revenue bonds do not count against the community's legal bonding capacity in that they eventually pay for themselves.

While revenue bonds are outside the debt limit, revenues must be sufficient to cover payment of the bonds after all operating costs have been met. It is sometimes necessary to increase user charges to meet these conditions.

Current Revenues

In addition to general operating costs, current revenue funds are the major source of capital improvements in the annual budget. Financing from current revenue is a pay-as-you go policy. Disadvantages occur when expenditures are of comparatively large amounts. This results in unusual fluctuations in the tax rate which could be eliminated by distributing the cost over several years with long-term bonds. Sometimes user charges, such as those for water, are increased so that capital improvements can be financed from current revenues.

1. Local Planning Administration, International City Manager's Association, p.388
2. G. S. 160-417 (After July 1, 1973: G. S. 159-90)

Municipal Capital Reserve Fund

This is a municipal savings fund in which monies are added from the general fund or from a tax levied for this purpose. These monies are set aside, by ordinance, for future necessary capital expenditures.¹

This fund can be used to even out large capital expenditures which occur infrequently.

Subdivision Regulations

Subdivision regulations may require subdividers to provide certain public improvements at the time a new subdivision is built. Street grading and paving, water mains, storm and sanitary sewers, and sidewalks may be required. If sufficient manpower and equipment are available, the municipality itself may install the improvements with the subdivider paying the cost. When the subdivider takes the responsibility for constructing improvements, the city must inspect the improvements before approval of the final subdivision plat, or a performance bond should be posted to guarantee that all improvements will be installed in accordance with specified standards.

State and Federal Aid or Grants

State and Federal units of government provide monetary aid to cities. The Federal government is making increasing amounts of funds available for community facilities. State collected funds are used to improve local roads through the "Powell Bill". Federal Revenue Sharing funds are available to the city for capital improvements in specified areas.

Private Gifts

Bequests, grants, donations and private subscriptions of land, money, buildings, or equipment are sometimes made to cities. Several examples may illustrate possibilities: a local manufacturing company may build a facility for the municipality; an estate or trust may specify money or land for a public park; a service club may raise money to provide facilities for a public park or other public use. Care must be exercised, however,

1. G. S. 160-425 through 434 (After July 1, 1973: G. S. 159-18 through 22)

so that a particular gift will not become a burden to the town. A building donated for public use may not necessarily be free if it is obsolete and in need of remodeling. In the long run, it may be cheaper for the town to construct a new building designed specifically for an intended and needed use.

FINANCIAL STATUS OF ALBEMARLE

Yearly audits for the City of Albemarle for the past ten years have been analyzed to determine trends of revenues, operating and capital expenditures, appraised valuation, bonding capacity, and similar major categories. This effort was undertaken so that projections of financial statistics could be made and capital improvements could be scheduled in accord with the city's ability to pay while at the same time upholding a sound financial base and surplus.

The North Carolina General Statutes authorize municipalities to issue general obligation bonds to finance any purpose "for which it may appropriate money, except for current expenses,"¹ up to a debt limit of 8% of the total assessed (appraised after July 1, 1973) valuation. However, revenue bond debt, general obligation debt incurred for enterprises of operation that promise to be self-supporting, or those backed by special assessments are not included within this debt limitation. Therefore, it is only seldom that the legal debt limit is of significance. Indeed, with these debt limit exemptions, the financial capacity to sustain debt may be less than the potential legal capacity.

This is true with respect to the financial capacity of Albemarle. Of the \$6,360,000 outstanding bonded debt, \$2,655,000 is included in the 8% debt limit. This is 41% of the total outstanding debt at this time. The remaining 59% of \$3,705,000 (excluded from net debt) are bonds which have been issued for water and electric improvements (exempted by State law).

Based on the 1972-73 projected appraised valuation of \$93,500,000,² the 8% statutory debt limit would permit bonding to a ceiling of \$7,480,000. The amount of debt that now qualifies within the 8% (\$2,655,000) is 2.8% of the appraised valuation and all bond debt is 6.9% of the appraised value.

1. N. C. General Statutes 160-378 (After July 1, 1973: G.S. 159-48)
 2. 1972-73 Albemarle Annual Budget estimate

While generally acceptable "rules of thumb" to use in determining the proper relationship of annual debt service requirements to total annual revenue are: (1) debt service should not exceed 25% of the operating budget, and (2) the gross debt ratio to full valuation should not exceed 12% for small cities, investment bankers prefer 10% and 8% respectively.

Table B Existing and Proposed Debt as Per Cent of Assessed Value

Year	Estimated Appraised Value ¹	Bonded Debt Based on Proposed Issues ² at Beginning of Fiscal Year	Proposed Debt as Per Cent of Appraised Value	Existing Bond Debt at Beginning of Fiscal Year	Existing Debt as Per Cent of Appraised Value
1970-71	93,975,599				
1971-72	93,567,178				
1972-73	98,000,000			6,360,000	6.4
1973-74	98,500,000			6,160,000	6.2
1974-75	99,000,000			5,865,000	5.9
1975-76	99,500,000	5,981,800	6.0	5,470,000	5.5
1976-77	100,000,000	5,586,800	5.6	5,075,000	5.1
1977-78	100,500,000	5,191,210	5.2	4,705,000	4.7

1. Estimated appraised value projected forward using fiscal 1973 as a base and increasing at a rate of \$500,000 a year. Due to fluctuation of previous years, projection prepared by computer was not considered accurate.

2. Includes existing debt.

Source: City Treasurer, City of Albemarle

In fiscal 1971-72, debt service payments for Albemarle amounted to \$275,000 (5.6% of the year's total revenues to be realized by the community). These statements suggest the community is in good financial condition.

Albemarle's bond rating by Moody Investor's Service and Standard Poors is "A". As the best rating given is "AAA", the city has a very good bond rating. Bond ratings should be taken seriously. A bond with a particular letter rating sells with a yield from one-tenth to one-quarter of one per cent lower than a bond with the next lower letter grade. The difference of one-quarter of one percent for \$1,000,000 in bonds over 20 years represents \$50,000. One can easily project the potential savings in interest costs through improved bond ratings.³

3. Bond Ratings, Local Government Commission, State of North Carolina, p. 3.

In evaluating Albemarle's financial capacity to repay bonds, two basic factors were examined. First, was the risk that the town may be impaired under depressed business conditions to pay on schedule the maturing bond principal and interest. Second, was an appraisal of the risk that bond quality may be diluted by an inordinate increase in debt. While the first factor is related to the impact of general economic conditions on the city, the second involves activities within the control of the City Council.

Activities within the control of the City Council and investigated by investors and rating agencies include:

1. Outstanding debt and debt trends
2. Debt repayment schedules
3. Overlapping and underlying debt
4. Sources of revenue for debt service and community facilities improvements
5. Default record
6. Additional legal debt capacity
7. Uncollected tax record
8. Probable future debt requirement to provide adequate utilities, educational facilities, transportation facilities, recreational and cultural facilities and medical facilities.

RECOMMENDATIONS FOR IMPROVING THE FINANCIAL CAPACITY OF ALBEMARLE

1. Albemarle should continue its policy of financing re-occurring improvements through annual revenues and improvements with larger costs through bond issues, state and federal grants.
2. Albemarle should establish a capital reserve fund. Through this program the community can tax ahead for anticipated public improvements and thus eliminate or lessen the need for borrowing. This program permits the combination plan of reserve fund and borrowing for those facilities for which a community cannot acquire enough funds strictly through the capital reserve fund. In this method, the community would tax ahead for the needed facility, then finance the remainder from bonds spreading the cost toward the future.

Table C Debt Retirement as a Per Cent of Estimated Annual Revenue

Year	Debt		Per Cent of Estimated Revenue	Debt		
	Estimated (1, 2) Revenue	Retirement Existing Bonds		Principal & Estimated Interest	Service for Proposed & Existing Debt	Per Cent Est. Revenue
1972-73	5,374,985	407,530	7.5			
1973-74	5,603,654	543,145	9.6			
1974-75	5,836,896	632,655	10.8			
1975-76	6,070,439	617,090	10.1	30,708	647,798	10.7
1976-77	6,253,759	576,300	9.2	25,590	632,598	10.1
1977-78	6,489,756	561,760	8.6	25,590	616,522	9.5

1. Includes \$183,000, first year of General Revenue Sharing.

2. Components of estimated revenues include least square projection³ of general and enterprise revenues plus annual debt service, plus Powell Bill Fund increase, plus Revenue Sharing, plus Sales Tax increase, plus New Water rates -- tax cut and loss of parking meter revenues.

3. Estimated annual revenue fiscal years is based on the least square projection method. This method uses regression analysis to compute a trend line "best fitting" the past revenue data. An algebraic relationship between revenue (y) and the point in time on which that revenue is recorded (x) is established for each area so that, for any date (x), a best estimate as to revenue (y) can be obtained. The basic formula is $y = a + bx$, where:

y = the revenue projection

a = the point where the trend line crosses the vertical axis

b = the calculated "best fitting" average change in revenue

x = the year for which the revenue is to be made.

The point in time is fiscal 1963 to 1972 (Albemarle Audit Report).

In order to insure that the capital reserve funds are spent for planned capital improvements, the municipality may want to create a reserve fund financed by a regular levy or by a stipulated amount set aside from the general fund. Such action should be approved at a local referendum, and expenditures from the fund should be limited solely to the proposed purpose approved by the electorate when the fund was established. Permission to use this special fund for any other purpose could be given only by another local referendum. Under this approach, part of the money can be used to finance improvements on a pay-as-you-go basis for equipment and local construction cost, including streets and buildings. Another portion of the fund can be used as a down payment for major capital expenditures and the balance can be used for debt service.

3. The city should hold a referendum requesting approval for the municipality to operate alcoholic beverage control stores. Profits from municipally operated ABC stores have become a significant source of revenue because of the amounts received and because they are non-tax revenues.
4. The city should place a recreation permissive tax vote before the electorate requesting a beginning minimum of six cents for public parks and recreation purposes.

IMPROVEMENT PROJECTS

The projects included in this budget were obtained from the comprehensive planning program elements (e.g., Land Development Plan, Community Facilities Study, and Public Improvements Program); from improvements suggested by local officials, the city manager, and department heads; and from projects proposed by the city consulting engineer and other agencies. High priority was given for the following reasons:

1. Necessary replacement of equipment
2. Projects which would increase efficient operation
3. Projects needed to serve growth areas

Assumptions

The various improvement projects included in this budget are needed to keep Albemarle's facilities and services up to a level necessary to serve the present and future demands of the

town. Since there are uncertainties when dealing with the future, the budget is based on the following assumptions:

There will be no major changes in the economic condition of the town.

The revenues of the town will increase during the next five fiscal years.

The town's legal debt limit will not decrease.

The citizens of Albemarle will support bond issues to pay for the various improvements.

The basis of allocating state-collected, locally shared taxes will not materially change during the scheduled program.

The improvement projects are grouped according to town departments and are set up so that they may be incorporated in the town's annual operating budget for the fiscal years 1973-74 through 1977-78. Each project has a brief explanation, estimated costs, and the proposed fiscal year in which the project is to be funded.

CITY OF ALBEMARLE
SUMMARY OF PROJECTS - CAPITAL IMPROVEMENTS BUDGET
FISCAL YEARS 1974-78

Municipal Department	Project Cost		Fiscal Year					
	Total	Federal Grant	State Funds	City Funds	1973		1974	
					1974	1975	1976	1977
Administration	25,000			25,000			25,000	
Finance	26,500			26,500	13,500			
Fire	75,300			75,300	12,500			
Police	102,600			102,600	28,600			
Public Works	1,839,100			1,839,100	518,100			
Recreation	222,345			222,345	48,845			
Sewer & Water	1,412,900		170,600	1,242,300	194,000	210,000	374,700	288,000
Total	3,703,745		170,600	3,533,145	815,545	746,000	788,200	658,000
<hr/>								
1. Total Annual city cost for projects, excluding cost of projects requiring bonding (water and sewer items 2 and 3)					815,545	746,000	547,000	458,000
2. Annual debt retirement for proposed bonds (1)							30,708	54,762
3. Annual cost + proposed debt service 1 + 2 = 3					815,545	746,000	577,708	512,762
4. Annual debt retirement for existing outstanding bonds					543,145	632,655	617,090	561,760
5. Annual total city expenditures for capital projects (3 + 4 = 5)					1,358,690	1,378,655	1,194,798	1,074,522

(1) Based on a total cost of \$682,400 for South and East Albemarle water distribution system project, an anticipated state grant of 25% (\$170,600) leaving \$511,800 to be financed over a twenty-year period at an anticipated interest of 6% by bonding.

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year			
		1973-74	1974-75	1975-76	1976-77 1977-78
ADMINISTRATION					
1. Basement, City Hall	10,000			10,000	
2. Telephone equipment	15,000			15,000	
Total	25,000			25,000	

1. Basement, City Hall

a. Description: remodel basement to allow area to be used for office space, duplicating, records storage.

b. Justification: allow better utilization of existing space, and expansion of administrative functions.

2. Telephone Equipment

a. Description: Purchase telephone system for city government to include a switchboard, telephones for all offices and other required equipment.

b. Justification: minimize costs of telephone service.

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot.	Fiscal Year			
	Cost	1973-74	1974-75	1975-76	1976-77 1977-78
FINANCE					
1. Three electric teller remit machines	13,500	13,500			
2. Microfilm equipment	11,000		11,000		
3. Off-set press	<u>2,000</u>		<u>2,000</u>		
Total	26,500	<u>13,500</u>	<u>13,000</u>		

1. Three electronic teller remittance control machines

- Description: same as title
- Justification: present remittance control machines are out-of-date and have well exceeded expected life span. Also proposed equipment will permit better use of E.D.P. services and give better and more up-to-date accounting records.

2. Microfilm equipment

- Description: purchase two microfilm units (one camera and one reader printer) one feed shelf, a manual exposure control, and a work station with base and shelves.
- Justification: purchase would allow the microfilming of all city records serving to minimize future operating expenses and conserve space.

3. Off-set press

- Description: Purchase off-set press to replace existing one.
- Justification: present press has exceeded expected life span (ten years) and a new press is needed to avoid increasing down time and maintenance costs

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Fiscal Year				
	Est. Tot.	1973-74	1974-75	1975-76	1976-77 1977-78
	Cost				
FIRE DEPARTMENT					
1. All purpose van	7,000		7,000		
2. Replace Chief's car	2,500	2,500			
3. Fire truck, pumper	60,000	10,000	20,000	10,000	10,000
4. Remote control ladder pipe	2,800			2,800	
5. High expansion foam generator	3,000			3,000	
Total	75,300	12,500	17,000	20,000	15,800 10,000

1. All purpose van

a. Description: purchase a van outfitted to carry specific types of specialized fire fighting equipment that is not normally carried on present fire vehicles (new piece of equipment)

b. Justification: fires are unpredictable. Using present fire vehicles, it is impossible to carry all of the equipment that might be required to fight special problem fires. The requested van would allow the Fire Department to transport the specialized apparatus to every fire.

2. Replace Fire Chief's Car

a. Description: replace present car with a new one (#6)

b. Justification: insure that Chief has access to a dependable automobile and reduce maintenance costs. Present vehicle purchased 1967 ('68 model).

3. Fire truck, pumper

a. Description: establish annual appropriation to provide a capital reserve fund for the regular replacement of fire trucks (new unit cost approximately \$40-45,000).

b. Justification: a truck will have to be replaced in Fiscal Year 1976. The creation of this fund will allow necessary replacement of fire trucks without requiring the cost be provided from one annual budget. Fund started in Fiscal 1972-73 with \$10,000.

4. Remote control ladder pipe
 - a. Description: a device which allows a nozzle at the end of a ladder to be operated from the ground.
 - b. Justification: enhance ability of department to fight fires without unnecessary dangerous exposure of firemen and with limited number of personnel.
5. High expansion foam generator
 - a. Description: Same as title
 - b. Justification: enhance ability of department to fight serious fires in oils or flammable liquids.

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year				
		1973-74	1974-75	1975-76	1976-77	1977-78
POLICE DEPARTMENT						
1. Police building	10,500	2,500	8,000			
2. Station wagon	3,000	3,000				
3. Standard equipment	1,500	1,500				
4. Patrol cars	78,500	18,500	15,000	15,000	15,000	15,000
5. Film library	8,000	2,000	1,500	1,500	1,500	1,500
6. Audio-visual equipment	1,100	1,100				
Total	102,600	28,600	24,500	16,500	16,500	16,500

1. Police buildinga. Description:

Fiscal 1974: install new roof and paint exterior
 Fiscal 1975: remodel interior of building including: purchase and installation of an intercom system; paint interior; purchase and install new lockers for all officers; renovate evidence storage room; construct protective canopy for police cars at rear of building; partitioning to create several new offices; partition ceramics room to create room for film library

b. Justification:

Fiscal 1974: required maintenance
 Fiscal 1975: better utilization of building

2. Station wagon

a. Description: replace existing wagon with a new one (#107)
 b. Justification: minimize annual operating expenses

3. Standard equipment
- a. Description: purchase for each of the five patrol cars the following items: siren, blue light, and public address system
 - b. Justification: improve safety and effectiveness.

4. Patrol cars
- a. Description:
 - Fiscal 1974: replace five patrol cars and purchase an additional patrol car equipped with radio and standard equipment.
 - Fiscal 1975-78: annual replacement of five patrol cars
 - b. Justification: minimize annual operating expenses
 - c. Authorized Vehicles: 101 Asst. Chief, 102, 103, 104, 106 Patrol units, 105, 108 detective units, 107 station wagon

5. Film library
- a. Description: develop a film library containing films, slides, tapes, records, and other audio-visual media. Subjects included in the library would focus on two general areas --- city personnel training and community education (i.e., drugs, safety, community relations, etc.) The library would occupy a room in the police building; would be adequately indexed and supervised; and would be available to all city departments as well as certain local groups.
 - b. Justification: for training city employees and for community education.

6. Audio-Visual equipment
- a. Description: purchase a slide projector, cassette tape recorder and viewgraph
 - b. Justification: for better training of Police and other city employees.

FUTURE NEEDS (add these to list in Public Improvements Plan for implementation during next five year period, Fiscal 1979-83)

- 1. Fire-Police emergency phone system
- 2. Indoor firing range

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year				
		1973-74	1974-75	1975-76	1976-77	1977-78
PUBLIC WORKS						
<u>Sanitation Division</u>						
1. Open bed truck	9,000	4,500				4,500
2. Leaf loader	2,800	2,800				
3. Load packers	45,000	11,000	11,000	11,000		12,000
4. Container load packer	30,000	30,000				
Division Total	86,800	48,300	11,000	11,000		16,500
<u>Electric Division</u>						
5. Transformers	375,000	75,000	75,000	75,000		75,000
6. Two bucket trucks	38,000	18,000				20,000
7. One-half ton pickup	2,500	2,500				
8. Improvements for distribution system	1,100,000	300,000	300,000	150,000	150,000	200,000
9. Switching station land	5,000	5,000				
Division Total	1,520,000	395,500	380,000	225,000	225,000	295,000
<u>Street Division</u>						
10. Street flusher	12,500	12,500				
11. One-half ton general purpose truck	1,800	1,800				
12. Dump truck	9,000		4,500		4,500	
13. Asphalt distributor	16,000			16,000		
14. Tractor mower	7,000					
15. Vacuum truck	30,000		30,000			7,000
16. E. North Street (4th St. to 5th St.)	10,000	10,000				
17. Old Charlotte Rd.	50,000	50,000				
18. Snuggs St.	80,000			40,000	40,000	
19. Thoroughfare Plan (Primarily financed by State)						
20. Director's Car	3,000			3,000		
Division Total	219,300	74,300	34,500	59,000	44,500	7,000

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year				
		1973-74	1974-75	1975-76	1976-77	1977-78
<u>Shop Division</u>						
21. Wash/grease pit	10,000			10,000		
22. Three-quarter ton pickup	<u>2,500</u>		2,500			
Division Total	<u>12,500</u>		2,500	10,000		
<u>DEPARTMENT TOTAL</u>						
	1,839,100	518,100	428,000	305,000	269,500	318,500

PUBLIC WORKS DEPARTMENT

Sanitation Division

1. Open bed truck
 - a. Description: replace open bed truck (#86)
 - b. Justification: minimize annual operating expenses
2. Leaf loader
 - a. Description: purchase leaf loader (new unit)
 - b. Justification: improve collection services and cut overtime.
3. Load packer
 - a. Description: replace load packer (#60, 95, 98)
 - b. Justification: minimize annual operating expenses by systematic replacement
4. Container Load packer
 - a. Description: purchase a load packer equipped to empty containers (new unit)
 - b. Justification: present system is unsanitary and inefficient. By purchasing this truck, the city will be able to provide those businesses which produce a large volume of trash and garbage wastes with a better method of solid waste disposal.

Electric Division

5. Transformers
 - a. Description: provide an annual appropriation for the purchase of transformers for new and replacement installations
 - b. Justification: for anticipated system growth and improved service required by greater consumer demand
6. Two bucket trucks
 - a. Description: replace two different bucket trucks: one in fiscal 1974 (#46), and one in fiscal 1978 (#47)
 - b. Justification: minimize annual operating expenses and maintain safe operating equipment
7. One-half ton pickup
 - a. Description: replace one-half ton pickup (#30)
 - b. Justification: minimize annual operating expenses
8. Continuing improvements of electrical distribution system
 - a. Description: implement recommendations of Electrical Distribution System Study Southeastern Consulting Engineers, Inc., December, 1972
 - b. Justification: required for continuing system operation
9. Land for switching station
 - a. Description: purchase land for second switching station recommended in Southeastern Study.
 - b. Justification: required to improve reliability of system

Street Division

10. Street flusher
 - a. Description: purchase a second street flusher (replacement), old vehicle use for sludge hauling
 - b. Justification: minimize current operating expenses

11. One-half ton general purpose truck
a. Description: new truck for curb & gutter foreman (old unit to be used for sign crew)
b. Justification: minimize current operating expenses
12. Dump Truck
a. Description: replace present truck (1949 model)
b. Justification: minimize current operating expenses
13. Asphalt distributor
a. Description: replace existing machine
b. Justification: minimize current operating expenses
14. Tractor mower
a. Description: replace present mower
b. Justification: minimize current operating expenses
15. Vacuum truck
a. Description: purchase vacuum truck with sweeper attachment
b. Justification: allow the city to do a better job of clean-up streets
16. E. North Street
a. Description: extend East North Street to Fifth Street from Fourth Street
b. Justification: Improve movement of vehicular traffic and improve dangerous intersection at Fifth Street
17. Old Charlotte Road
a. Description: widen Old Charlotte Road from the railroad to Coble Avenue and replace bridge
b. Justification: improve movement of vehicular traffic and eliminate flooding.
18. Snuggs Street
a. Description: widen Snuggs Street from Snuggs Park Road to Salisbury Avenue. This is part of Thoroughfare Plan and may be State responsibility.
b. Justification: improve movement of vehicular traffic and safety.

19. Thoroughfare Plan

a. Description: continued implementation of the Thoroughfare Plan which is financed primarily by the State with priority on the following projects:

1. Extend Carolina Avenue south from West Main Street across Little Long Creek, Old Charlotte Highway and Poplin Creek to N.C. 27 bypass in the vicinity of Aquadale Road.
2. Widen Carolina Avenue from Salisbury Avenue to W. Main Street.
3. Boone Street (Snuggs Road) from U.S. 52 to Palestine Road
4. Pennington Ferry Road from Palestine Road to Ridge Street

20. Director's car

- a. Description: replace Director's car (#28)
- b. Justification: minimize annual operating expenses

Shop Division

21. Wash/grease pit

- a. Description: construct an addition to the present shop to allow the washing and greasing of city vehicles
- b. Justification: improve maintenance and appearance of vehicle equipment

22. Three-quarter ton pickup

- a. Description: replace 3/4 ton pickup (#44)
- b. Justification: minimize annual operating expenses

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year				
		1973-74	1974-75	1975-76	1976-77	1977-78
WATER AND SEWER DEPARTMENT						
<u>Water Distribution System</u>						
1. Improvements and Expansion	200,000					
2. N.C. 27 bypass & South Albemarle	482,400					
3. East Albemarle	200,000					
4. Backflow prevention	10,000					
Division Total	892,400	40,000	40,000	40,000	40,000	40,000
		10,000		241,200	241,200	200,000
		50,000	40,000	281,200	281,200	240,000
<u>Waste Water Collection System</u>						
5. Industrial waste monitors	20,000	4,000		4,000	4,000	4,000
6. Improvements and expansion	125,000	25,000	25,000	25,000	25,000	25,000
7. Little Long Creek	100,000	50,000	50,000			
8. East Albemarle	100,000	50,000	50,000	50,000		
Division Total	345,000	79,000	129,000	79,000	29,000	29,000
<u>Maintenance Equipment Division</u>						
9. One ton service truck	7,000	3,000		4,000		
10. One-half ton pickup	4,500	2,000		2,500		
11. Hydraulic truck mounted back hoe	50,000	50,000				8,000
12. Sewer rodder ¹	8,000					
13. Bulldozer	30,000		30,000	4,500		
14. Air compressor	4,500					
15. Rubber tire loader	11,000					11,000
16. Flatbed dump truck	6,000				6,000	
17. One-half ton service truck	3,500			3,500		
18. Track loader	30,000					30,000
19. Earth boring equipment	5,000		5,000			

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot.		Fiscal Year			
	Cost.		1973-74	1974-75	1975-76	1976-77 1977-78
<u>Maintenance Equipment Division cont.</u>						
20. Automatic grade light, laser	6,000			6,000		
21. Waste-sewer adm. building	10,000		10,000			
Equipment Total	175,500		65,000	41,000	14,500	36,000 19,000
DEPARTMENT TOTAL	1,412,900		194,000	210,000	374,700	346,200 288,000

Water Division - Distribution System1. General Improvements and Expansion

a. Description: construct the following water mains during the period covered by this Capital Improvements Budget:

An 8" main along Wall Street from Thomas Street crossing bypass to Ellenwood Drive and Ellenwood Drive from Wall Street extension to Ross Drive (Pitometer & P&W Survey)

An 8" main to serve Anderson Heights

An 8" main along Carpenter Avenue from S. First Street to S. Fourth Street (Pitometer & P&W Survey)

Extend the 12" main which terminates west of the 1.7 million gallon tank to tie in with the 12" main at Lowder Street via Pennington Road, Laurel Street, N. C. 73 and First Avenue. (Pitometer & P&W Survey)

A 12" main along Depot Street from New Salisbury Avenue to North Street
(Pitometer & P&W Survey)

An 8" main along West Main Street from Concord Road to Coble Avenue, and along
Coble Avenue from West Main to Old Charlotte Road

An 8" main along Coble Avenue from Williams Avenue north to the existing 6" main

- b. Justification: improved flow and water pressure, and provide service to growing areas, as indicated by Pitometer study and Pierson & Whitman Survey dated 1966.

2. N. C. 27 bypass and South Albemarle

- a. Description: construct 12" pipeline along NC 27 bypass and elevated storage tank with a capacity of 750,000 gallons in vicinity of NC 27 bypass and Aquadale Road.
- b. Justification: provide an adequate water supply for development on bypass and elevated storage for Southern Albemarle

3. East Albemarle

- a. Description: replace Ninth Street standpipe with a 200,000 gallon elevated spheroid
- b. Justification: required to upgrade system

4. Backflow Prevention

- a. Description: install backflow prevention devices in system with detectors to determine if fire mains are being tapped for in-plant water uses
- b. Justification: eliminate use of fire mains for in-plant water needs

Division of Waste Water - Collection System

5. Industrial waste monitoring program

- a. Description: over period of budget, purchase and install industrial waste monitors
- b. Justification: allow a more equitable system of wastewater use charges based on the actual contents of industrial wastewater as required by Environmental Protection Agency and N. C. Office of Water and Air Resources.

6. General improvements and expansion of wastewater collection system

- a. Description: over period of budget, upgrade and improve collection system
- b. Justification: minimize annual operating expenses and eliminate infiltration

7. Extension of Little Long Creek outfall line

- a. Description: extend existing outfall from Quenby Mall to Centerview Church Road (Matching fund)
- b. Justification: serve growing area to facilitate eventual annexation

8. East Albemarle

- a. Description: construct outfall and pumping station in East Albemarle (Matching fund)
- b. Justification: required to serve growth area and facilitate eventual annexation

Department Maintenance Equipment

9. One ton service truck

- a. Description: replace a one ton service truck in each of the indicated fiscal years (#31 & #34)
- b. Justification: minimize annual operating expenses

10. One-half ton pickup
a. Description: replace one-half ton pickup truck in each of the indicated fiscal years (#36 & #37)
b. Justification: minimize annual operating expenses
11. Hydraulic track mounted backhoe
a. Description: replace 20 year old cable backhoe # with a hydraulic track mounted backhoe having a one yard capacity
b. Justification: maintain capability to excavate shale rock for water and sewer extensions
12. Sewer Rodder
a. Description: purchase replacement for sewer rodder
b. Justification: minimize annual operating expenses
13. Bulldozer
a. Description: replace bulldozer
b. Justification: allow department to clear new right-of-way and maintain existing right-of-way
14. Air compressor
a. Description: purchase replacement air compressor
b. Justification: minimize annual operating expenses
15. Rubber tire front end loader
a. Description: purchase replacement rubber tire front end loader (#)
b. Justification: minimize annual operating expenses
16. Flatbed dump truck
a. Description: purchase flatbed dump truck (new unit)
b. Justification: increase capabilities of department
17. One-half ton service truck
a. Description: purchase one-half ton service truck (new unit)
b. Justification: maintenance of expanding system for third foreman

18. Track loader
 - a. Description: purchase replacement track loader with one of the 12G size
 - b. Justification: minimize annual operating expenses
19. Earth boring equipment
 - a. Description: purchase earth boring equipment
 - b. Justification: decrease the number of pavement cuts made while installing and repairing system; most road and railroad crossings required boring now by State.Highway Commission and the railroad
20. Automatic grade light (laser)
 - a. Description: purchase automatic grade light of the laser type
 - b. Justification: aid in the repair and expansion of system
21. Water and Sewer Administration Building
 - a. Description: renovate lab building at old sewage treatment plant as administrative building for department
 - b. Justification: present office space is inadequate

FUTURE NEEDS (add these to list in Public Improvements Plan for implementation during the next five year period, Fiscal 1979-83.)

1. Parallel present Little Long Creek outfall with second outfall.

PROJECT ESTIMATES BY DEPARTMENT

Department & Project Title	Est. Tot. Cost	Fiscal Year				
		1973-74	1974-75	1975-76	1976-77	1977-78
RECREATION						
1. Playground equipment	15,000					
2. Carolina Avenue grant match	21,245	3,000	3,000	3,000	3,000	3,000
Community/equipment building	10,000	21,245				
3. Dump truck & Radio	4,500		10,000			
4. Trash vacuum cleaner	2,000	4,500				
5. Rock Creek tennis Courts	10,500	2,000				
Land purchase	30,000	10,500				
Filters	7,000	20,000				
6. South Albemarle tennis courts	1,200	7,000				
Basketball courts	2,500			1,200		
7. Cannon Avenue multi-purpose court	3,500			2,500		
Fence court	3,000			3,500		
Landscaping	1,500			3,000		
Recreation building	40,000			1,500		
8. Hawthorne Avenue multi purpose court	3,500			10,000	30,000	
Fence court	3,000			3,500		
Landscaping	1,000			3,000		
9. Visual aids	1,100	1,100		1,000		
10. One-half ton pickup and radio	3,000			3,000		
11. Riding mower	1,800			1,800		
12. South Albemarle School	40,000		10,000	10,000	10,000	10,000
13. East Albemarle ball field	5,000				5,000	
14. Landfill property gun ranges	8,000					8,000
Bicycle trails and picnic areas	4,000					4,000
DEPARTMENT TOTALS	222,345	48,845	53,500	47,000	48,000	25,000

1. Playground equipment
 - a. Description: allow annual purchase of playground equipment
 - b. Justification: increase utilization of playgrounds

2. Carolina Avenue - Grant Match
 - a. Description and Justification: provides funds to meet local matching requirement of present grant for development of this park

Community Building

 - a. Description: construct a building for the park which can be used to store equipment and act as a community building
 - b. Justification: allow better utilization of park

3. Dump truck and radio
 - a. Description: purchase a one-ton flatbed dump truck equipped with a radio (new unit)
 - b. Justification: minimize annual operating expenses

4. Trash vacuum cleaner
 - a. Description: purchase a trash vacuum cleaner
 - b. Justification: at present, considerable man hours are wasted cleaning up after recreation events. Purchase would reduce annual operating expenses and permit greater use of parks

5. Rock Creek Park
Tennis Courts
 - a. Description: rebuild existing tennis courts
 - b. Justification: increased use of courts

Land Purchase

 - a. Description: purchase adjoining land south of park
 - b. Justification: ensure availability of land for future growth of facility

Filters

- a. Description: establish a contingency fund to allow the replacement of the filters at the park pool when required during the five year period.
- b. Justification: present filters have exceeded their expected life span.

6. South Albemarle Park

Tennis Courts

- a. Description: seal existing tennis courts
- b. Justification: protect courts and reduce future maintenance expenses

Basketball courts

- a. Description: resurface courts
- b. Justification: promote increased use of courts

7. Cannon Avenue Multi-Purpose Court

- a. Description: construct a multi-purpose court
- b. Justification: encourage better use of park

Fence Court

- a. Description: construct a fence around multi-purpose court
- b. Justification: allow safer use of court

Landscaping

- a. Description: landscape park
- b. Justification: improve visual impact of park on neighborhood

Recreation Building

- a. Description: construct a recreation building (approximately 40' X 60')
- b. Justification: encourage greater use of park

8. Hawthorne Avenue Multi-Purpose Court

- a. Description: construct a multi-purpose court
- b. Justification: encourage greater use of park

Fence Court

- a. Description: construct a fence around the multi-purpose court
- b. Justification: allow safer use of court

Landscaping

- a. Description: landscape park
- b. Justification: improve visual impact of park on neighborhood

9. Visual aids

- a. Description: purchase films to aid in instructing skill sports, life saving and first aid
- b. Justification: encourage the learning and improvement of skill sports and safety

10. One-half ton pickup and radio

- a. Description: replace (#22) a one-half ton pickup truck equipped with radio
- b. Justification: minimize annual operating expenses

11. Riding Mower

- a. Description: purchase a large riding mower (new unit)
- b. Justification: minimize annual operating expenses

12. South Albemarle School

- a. Description: purchase school (at least gymnasium and athletic field)
- b. Justification: improve indoor facilities available for recreation

13. East Albemarle

- a. Description: construct ball field on property available at Amhurst Gardens Development
- b. Justification: ball field needed to serve the neighborhood

14. Landfill Property

Gun Ranges

- a. Description: develop gun ranges on property
- b. Justification: ranges are needed

Bicycle trails and picnic areas

- a. Description: develop bicycle trails and picnic areas on property
- b. Justification: better use of property

FUTURE NEEDS (Add these to list in Public Improvements Plan for implementation during the next five year period, Fiscal 1979-83.)

Rock Creek

- Convert swimming pool to skating rink (ice and roller)
- Renovate bath house for use as community building

New East Albemarle Junior High School

- Construct a swimming pool with all-weather roof
- Construct a combination football field and track

Landfill property

- Continue development of area for outdoor recreational uses, possible golf course

East Albemarle School

- Construct 2 or 3 paddle tennis courts

City Lake

- Develop site for use as an organizational picnic area

ENVIRONMENTAL CONSIDERATIONS

ALBEMARLE CAPITAL IMPROVEMENTS
BUDGET --- 1974-1978

This study is an update of the Capital Improvements Budget prepared in 1967. It is a coordinated and comprehensive list of improvements needed by the city during the five fiscal year period 1974-78.

Using the Land Development Plan, the Community Facilities Plan, the Public Improvements Program, and recently identified needs as a guide, the list of improvements was compiled by interview and then in public meetings. Initial improvement lists were submitted by department heads, screened by the City Manager, and will be submitted to a joint meeting of the City Council and Planning Board for final screening.

The following effects on the environment are based on the assumption that the complete list of improvements proposed in this budget will be accomplished.

A. ADVERSE EFFECTS

1. Reduction of natural vegetation
2. Increase in rain water run-off
3. Increase in wastewater effluent

B. BENEFICIAL EFFECTS

1. Preservation of open space
2. Better utilization of available land
3. Decrease in ground water pollution
4. Better traffic circulation, thus minimizing operating time of vehicles
5. Allow the controlled growth of the city; enabling it to better serve the people and preserve natural and economic resources of the entire community

Effects of these proposed actions which can not be avoided entirely will be the loss of natural vegetation and the increase in run-off.

The alternative to this budget would be the haphazard and unplanned purchase of improvements. This could result in failure to meet the needs of the people or improper use of public funds by impulse or chance purchases.

The budget, if implemented, will encourage a compact scheme of development in Albemarle avoiding the low-density urban sprawl found in other areas.

The loss of natural vegetation caused by the construction of streets cannot be reversed, but can be helped by planned curbside trees properly selected and located.

All existing state, federal, and county environmental controls currently in force will be applicable to the implementation of the budget.

The adoption and implementation of this budget will mitigate the adverse environmental effects of required improvements.

No issues have been raised at the time of the publication of the final report (April, 1973).

SUMMARY

This budget, if utilized, will be a major tool for city officials in managing the city and meeting its needs in an orderly manner. The Capital Improvements Budget should be annually updated and advanced one year into the future. This process could be most easily accomplished by incorporating it into the preparation of the annual operating budget.

